

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

TERRY L. WHIPPLE, M.D., et al.,

Plaintiffs.

v.

PROFESSIONAL EMPLOYEE RESOURCES
AND COMPENSATION SERVICES, LLC, et
al.,

Defendants.

Civil Action Number 3:04CV685-JRS

ORDER OF DEFAULT JUDGMENT

THIS MATTER is before the Court on Plaintiffs Terry L. Whipple, M.D.'s and Ruth L. Hillelson, M.D.'s Supplemental Memorandum in Further Support of Motion for Default Judgment. Plaintiffs seeks default judgment against Defendants Bridgestreet Financial Consultants, LLC ("Bridgestreet") and Professional Employee Resources and Compensation Services, LLC ("PERCS") (collectively "Defendants").¹

Plaintiffs' Complaint alleges that Defendants tricked them into participating in a fraudulent retirement planning scheme designed to defer taxes. Specifically, Plaintiffs allege that Defendants committed conspiracy to injure others in business, fraud, unjust enrichment/constructive trust, and indemnification. On February 23, 2005, the Clerk of the Court entered default against Defendants Bridgestreet and PERCS. See Fed. R. Civ. P. 55(a). By their default, Defendants admitted Plaintiffs'

¹ Plaintiffs have been unable to serve Ronan Gaynor, trading as International Executive Leasing ("IEL").

well-pleaded allegations of fact, but not the conclusions of law contained in the Complaint. See Ryan v. Homecomings Financial Network, 253 F.3d 778 (4th Cir. 2001).

Based on the factual allegations in the Complaint, the Court finds that Defendants committed fraud. It appearing that Defendants failed to answer or defend this action in a timely matter and that default has been properly entered by the Clerk of the Court, default judgment is hereby GRANTED. Pursuant to Federal Rule of Civil Procedure 55(b)(2), it is hereby ORDERED that judgment be entered against Defendants as follows:

- \$434,259.50 for actual damages (the initial amount of Plaintiffs' investment less the amount Defendants returned to them);
- \$13,489.00 for attorney's fees incurred by Plaintiffs in connection with their communications with the Internal Revenue Service ("IRS");
- \$16,893.34 for attorney's fees incurred in connection with the instant action; and
- \$71,696.94 for taxes and penalties from the IRS.

Accordingly, Plaintiffs are awarded default judgment for the total amount of \$536,338.78. Defendants shall be jointly and severally liable for this judgment.

Defendants are ADVISED that pursuant to Federal Rule of Appellate Procedure 4, they may appeal this Court's decision to the United States Court of Appeals for the Fourth Circuit by filing a Notice of Appeal with the district clerk within thirty (30) days of this Judgment.

Let the Clerk send a copy of this Judgment to all parties of record.

It is SO ORDERED.

/s/ James R. Spencer
UNITED STATES DISTRICT JUDGE

June 15, 2005
DATE